

Washington State Liquor Control Board

INTER-OFFICE CORRESPONDENCE

Town: Olympia

Date: September 29, 1972

To: Legal Division

From: I. W. (Bob) Hilson, Supervisor

Subject: Proposed changes in "cash" regulations (to permit wholesalers to extend credit to retailers)

At its regular meeting Thursday, September 28, 1972, the Board discussed a petition to amend applicable rules to allow the extension of credit as noted above.

Attached is a copy of a memo which I submitted to the Board relative to a possible illegal situation which could occur under a wholesaler to retailer credit arrangement.

Specifically, collection and remittance of the 26 per cent sales tax on wine is a responsibility of the wholesaler. He must collect this tax from the retailer and, in turn, remit said tax monies on a monthly basis to the State Department of Revenue.

Under a credit arrangement it is highly possible that a retailer might fail to pay his account to a wholesaler in time to meet the tax deadline. Consequently, the wholesaler would have to pay the uncollected tax--in effect, advancing money on behalf of a retailer.

The Board has asked me to check with you to obtain your view as to the legality of such a procedure. Would it be in conformity with RCW 66.28.010?

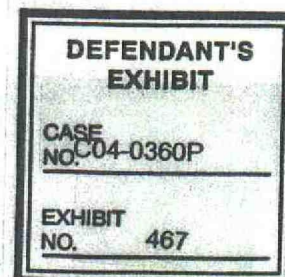
Please advise.



I. W. (Bob) Hilson, Supervisor
Beer and Wine Division

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LIQUOR CONTROL BOARDResp to Costco RFP
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